

**MANAGEMENT CONTROL EVALUATION CERTIFICATION
STATEMENT**

For use of this form, see AR 11-2; the proponent agency is ASA(FM).

1. REGULATION NUMBER
10 U.S.C. 2222

2. DATE OF REGULATION
1 Oct 2005

3. ASSESSABLE UNIT

Directorate of Morale, Welfare, and Recreation

4. FUNCTION

Lodging, Defense Business Systems Modernization Certification Approval

5. METHOD OF EVALUATION (Check one)

☒ a. CHECKLIST

☐ b. ALTERNATIVE METHOD (Indicate method)

APPENDIX (Enter appropriate letter)

6. EVALUATION CONDUCTED BY

a. NAME (Last, First, MI)

Bowers, Karen J.

b. DATE OF EVALUATION

6 Feb 2007

7. REMARKS (Continue on reverse or use additional sheets of plain paper)

Key management controls were tested by direct observation, file/documentation review, and sampling.

No material weaknesses were found during this evaluation period.

8.

CERTIFICATION

I certify that the key management controls in this function have been evaluated in accordance with provisions of AR 11-2, Army Management Control Process. I also certify that corrective action has been initiated to resolve any deficiencies detected. These deficiencies and corrective actions (if any) are described above or in attached documentation. This certification statement and any supporting documentation will be retained on file subject to audit/inspection until superseded by a subsequent management control evaluation.

a. ASSESSABLE UNIT MANAGER

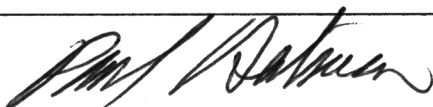
(1) Typed Name and Title

Paul A. Heilman

Director of Morale, Welfare, and Recreation

b. DATE CERTIFIED

(2) Signature



7 mar 07

TAB E

DEFENSE BUSINESS SYSTEM MODERNIZATION CERTIFICATION APPROVAL

Evaluate the controls within your organization that incorporate these new rules. Are the controls adequate? If not, what is your recommendation, as the evaluator, for improving the controls to obtain reasonable assurance for the organization? *(The Information Management Officer [IMO] typically serves as evaluator for this process.)*

FY 05 NDAA: The Ronald W. Reagan National Defense Authorization Act (NDAA) for Fiscal Year (FY) 2005 states that funds appropriated to the Department of Defense (DoD) may not be obligated for a defense business system modernization that will have a total cost in excess of \$1 M unless—

- 1) the approval authority designated for the defense business system certifies to the Defense Business Systems Management Committee that the business system modernization is in compliance with the enterprise architecture; is necessary to achieve a critical national security capability or address a critical requirement in an area such security or safety; or is necessary to prevent a significant adverse effect on a project that is needed to achieve an essential capability, taking into consideration alternative solutions;
- 2) the certification by the approval authority is approved by the Defense Business Systems Management Committee.

For more information: <http://www.defenselink.mil/dfas/legislative/FY05/section8083-2005.htm>

What does 10 U.S.C. 2222 require in regard to "defense business system modernizations?"

Effective 1 Oct 05, any defense business system modernization that will have a total cost in excess of \$1M must be reviewed by the appropriate Office of the Secretary of Defense (OSD) Investment Review Board (IRB), certified by the designated Approval Authority and the certification must be approved by the Defense Business Systems Management Committee (DBSMC) before any funds for modernization can be obligated. For more information: http://www.dod.mil/bmmp/govern_dbsmc.html

What if funds are obligated without certification and approval required by 10 U.S.C. 2222?

An officer or employee of the U.S. Government that knowingly and willfully obligates funds for a defense business system modernization that has a total cost of over \$1M without an approved certification will violate 31 U.S.C. 1341(a)(1) (the Anti-Deficiency Act (ADA)). The ADA provides for a fine of up to \$5000.00, and imprisonment for not more than 2 years, or both.

What is a "defense business system?"

An information system, other than a national security system, operated by, for, or on behalf of the DoD, including financial systems, mixed systems, financial data feeder systems, and information technology and information assurance infrastructure, used to support business activities.

What is a "defense business system modernization?"

The acquisition or development of a new defense business system; or an significant modification or enhancement of an existing defense business system (other than necessary to maintain current services.).

Do Commercial off-the-shelf (COTS) acquisitions also require certification?

Yes.

Does the \$1M threshold apply to the *annual* cost, or the *total* cost of a modernization, or to the *life cycle* cost of all program modernizations?

It applies to the total cost of the modernization from concept refinement phase, or pre-initiation phase, to deployment (but not including operation and support (i.e., sustainment phase)).

Evaluator: KAREN J Bowers Title: LOGGING MGR

Signature: Karen J Bowers Date: 6 Feb 07

Describe how evaluation was conducted:

List and attach documentation that illustrates the evaluation (e.g., datacall memo and responses; samples of data; interview notes; memos for record; email messages; ISR data; PMR results; audit report; etc.):